
The Entrepreneur

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The
Entrepreneur

The Belden Center for Private Enterprise Education
Harding University School of Business
Searcy, Arkansas

This issue courtesy of Mr. Eugene Smith, President, G. T. Press, Dallas, Texas

A Tribute To Volunteers

by John Andrew Bolinger
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A Phenomenal Phonathon

by David C. Crouch
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Averaging \$100,000 a night for 21 nights is a fundraiser's dream. For Harding University, it was a dream come true, the culmination of a \$3-million challenge to our alumni. During the 21-night period between September 12 and October 18, 1982, we conducted a national alumni phonathon that raised \$2,138,135 in gifts and pledges. By going over the \$2-million mark, we also qualified for an additional \$1 million in challenge grant funds. Even though phonathons are not new to our alumni, the 1982 phonathon caught everyone's attention. More than 150 students, faculty, and administrators became active participants.

After the phonathon, we evaluated what we'd achieved from both fund-raising and public relations perspectives. Our observations were:

1. During November (the first full month after Phonathon '82), we added 645 alumni to our 1982 donor list.
2. Approximately 12.2 percent of all those who responded to the challenge had never given before.
3. We completed more calls (8,465) than in any previous phonathon. Before 1982, the largest number of completed calls was 5,683 in 1971.
4. Even though not everyone gave, faculty members were able to renew acquaintances and report on the state of the University. This was especially important considering the problems facing private institutions in the '80's.
5. Faculty and staff participation hit an all-time high. Each faculty or staff member who called averaged 17 hours on the phone.

Obviously, we can't conduct phonathons of this magnitude every year. But Harding's results prove that, even in a recession, a phonathon can be just the tool to challenge alumni — and to raise support to undreamed-of levels.

Voluntarism is a social innovation of America — one of the greatest contributions of America to civilization. Why has voluntarism been peculiar to our country? Perhaps it is because the United States is a nation of immigrants fleeing from oppressions — political, economic and religious. Our founders resented the indulgent charity from the aristocracy. Perhaps the first volunteers in our country were the 41 signees of the Mayflower pact at Plymouth, who pledged to work for a just and equal way of life.

The first fund-raising volunteers may have been three clergymen who left the Massachusetts Bay Colony in 1641 to go to England to help raise money to found Harvard College. Our first volunteer fund-raising consultant may have been Ben Franklin who, when he was approached by a minister who wanted to build a Presbyterian church in Philadelphia, declined as a donor but gave this advice:

In the first place, I advise you to apply to all those whom you will give something; next to those of whom you are uncertain; and show them a list of those who have given; and lastly, do not neglect those whom you are sure will give nothing, for in some you may be mistaken.

When Episcopal Bishop William Lawrence was asked what was the key to his volunteer fund-raising success, he replied: "Fund-raising has merely been a by-product of some great conversations I have had with some great people." These two pieces of advice are still the very heart of the volunteer fund-raising matter.

I reviewed the largest book on the subject of this history of fund-raising in the United States and in the index I could not find the words volunteer — worker — or leadership. Neither could I find the words donor — contributor — cultivation — nor involvement. A foundation commissioned a book to be written on "The Successful Volunteer Organization." The word volunteer does not appear in the table of contents and it appears only once in the index and only as a reference to a volunteer firemen's fund. The **American College Dictionary** defines voluntarism: "Any theory that regards the will, rather than the intellect, as the fundamental of principle."

The philanthropic cause is the alpha and omega of fund-raising, but in-between the beginning and the end are the volunteers. The volunteers recognize the need. The volunteers help think out the feasibility of the project. The volunteers review and adapt the plans. The volunteers recruit other volunteers. The volunteers sacrificially make pace-setting pledges. The volunteers do the work of transforming dreams into reality. The volunteers persist in valleys of recession and depression. Donors give of financial resources but volunteers give three ways: they give of their time, of their talent and of their financial resources.

Richard C. Cornelle in his book, **Reclaiming the Dream**, develops the thesis that we have had three sectors in American society. The first one-third of the 20th century was dominated by the private sector seeking commercial profit; the second one-third of the 20th century was dominated by the public sector, which manifests itself in big government's assuming responsibility for social services; and it may well be that the last one-third of our century may be dominated by the independent sector as manifest in unselfish voluntarism. When these other sectors fail, Americans organize voluntary associations.

In 1835, Alexis De Tocqueville (a French politician philosopher) had the following to say about his visit to America:

The health of a democratic society may be measured by the quality of services performed by its citizen volunteers . . . The Americans are a peculiar people. If, in a local community, a citizen becomes aware of a human need which is not being met, he, thereupon, discusses the situation with his neighbors. The committee, thereupon, begins to act on behalf of the need . . . without a single reference to a bureaucracy or to any official agency.

Volunteers are minorities. "The harvest is plentiful, the laborers are few" (Matthew 5). Majority vote is a characteristic of democracy, but it is not an everlasting blessing. The majority can vote away their freedoms by self-indulgence. The majority can ratify — ratify by dissent or affirmation. However, the freedom of minorities is also an essential factor of democracy and it is the minorities that dream the dreams. It is the minorities that build the institutions of civilization. It is the minorities that set the standards for excellence.

Volunteers are minorities — at best only 5 percent to 20 percent of any constituency. In the end of times, we are judged by the great minority of one — God. But we need to have democracy to allow the minorities the freedom to build the worthwhile institutions that serve the majority and honor God. Volunteers are a minority — a willful group — but their power is in inverse proportion to their numbers. Volunteers are the stars that light the night — and the power that moves mountains — and makes the impossible dream come true.

The most talented people I know are volunteers. The most generous, hard-working, unselfish, friendly, God-

fearing, Christ-centered, happiest people I know are volunteers. Why? They live for something greater than self. They have a habit of re-evaluating their priorities in a drive to improve the quality of life. For 32 years I lived vicariously through the lives of volunteers. The entire body of organized fund-raising knowledge was accumulated through the successes and failures of volunteers. The greatest innovations in fund-raising have come from the creative efforts and imaginations of volunteers.

In the second century A.D., it was said of Rome, "In Rome, everything is for sale." Rome began as a republic in which citizens contributed voluntary service; it ended as a deteriorating empire in which men contributed money instead of service. Even in the middle of the greatest recession (1981-82) since the 1930's, volunteer leadership was more scarce than money.

We have been admonished by scripture to be volunteers: "Your light must shine before people so that they will see the good things that you do and give praise to your Father that is in Heaven." Or, in the vernacular of Bishop Lawrence: "Kick yourself aside and let your case walk in."

Harding University was built, up to this time, by the extraordinary fund-raising efforts of a few officers of the college: The efforts of these men have been phenomenal. The Harding University constituency will be forever in their debt. Nevertheless, the true potential of any institution can never be realized without the organization of its best volunteers.

You Phonothon volunteers have embarked upon a new era for Harding University — an era of volunteers. You have raised over \$2 million in 21 nights — via the telephone — perhaps unmatched anywhere in the world in such a short period of time. This was done for a cash cost of less than one percent of the amount pledged. If we were to equate your volunteer time with money, it might add another one percent cost. This is fantastic fund-raising cost-effectiveness. By contrast, it has been estimated that the volunteer services in a New York united campaign for the annual support of hospitals equals two-thirds of the total contributions.

Under the leadership of Richard Gibson, James Cone, Donnie Skipper, and the President's Development Council, the Trustees are beginning to follow your example of volunteer fund-raising in this new era for Harding. In the course of this effort, you have begun to receive a number of corporate matching gifts. In 1935, Congress allowed corporations to deduct up to five percent of their profits from taxation for charitable gifts (currently 10 percent).

You have discovered the fun in fund-raising — the blessings of voluntarism. Fund-raising is not the dirty job conceived by so many ineffective men who do not lose themselves in a cause. A volunteer can stimulate stewardship attitudes and habits. The volunteer can mix social occasions with fund-raising. The volunteer can deduct travel, phone and entertainment expenses for

fund-raising. The volunteer can be enriched by the witness of sacrificial donors. The volunteers can laugh at the endless resourcefulness of pocketbook protection. Volunteers have more failures than successes, but the minority of generosity far outweighs the majority of negativism. On the average, there is one contributor for every three prospects; however, in many commercial activities, ten to twenty prospects are needed for every sale. The volunteer is always optimistic with anticipation.

One volunteer asked a prospect for a million dollars and received a refusal, to which the volunteer replied, "You mean, not today." John Mason Brown has said: "Existence is a strange bargain. Life owes us little; we owe it everything and the only true happiness comes from squandering ourselves for a worthy purpose." Truly, "it is more blessed to give than to receive" — but in giving we do receive an abundance and variety of blessings. The volunteer's cup runneth over. This is a paradox of life that only a minority, like you, learn.

VOLUNTARISM AND THE REAGAN ECONOMIC PROGRAM

by Stuart M. Butler, Ph.D., Policy Analyst
Reprinted Courtesy of
The Heritage Foundation, Washington, D.C.

In recent speeches, President Reagan has stressed the voluntary sector as a crucial element in his strategy to alter the balance between the government and the people in American society. "Voluntarism is an essential part of our plan to give government back to the people," Mr. Reagan declared recently before the National Alliance of Business. He then announced the formation of a Presidential Task Force on Private Sector Initiatives, to be headed by Armco Inc. chairman William Verity, which will examine ways of stimulating voluntarism.

Considerable attention has been given to the feasibility of employing the voluntary sector as an alternative source of funding to offset the budget cuts in welfare and other programs, but Reagan has made it clear that he views the sector as far more than a new source of finance for reduced federal programs. It is a key part of the Administration's policy of moving the provision of services as close as possible to their intended recipients, so that local needs and sources of assistance can be blended.

Strengthening the "mediating structures" between government and the individual — voluntary associations, churches, foundations, neighborhood groups, etc. — is seen as important in reinvigorating the bonds of community. The growth of the voluntary sector is also viewed by the Administration as necessary to the effective rebuilding of notions of social obligation and "good neighborliness" — fundamental features of American society that have been eroded by the growth of government. The size and nature of the impending "gap," and the ability of the voluntary sector to fill it, is a critical issue in the Administration's policy of encouraging voluntarism.

Yet there is another important element in the debate on voluntarism — an element that is as much philosophical as practical in nature. Increasingly, the argument is raised that foundations and corporations should expand considerably their charitable activities to alleviate the burden on other segments of philanthropy. Not only is there doubt that foundations and corporations **will** increase their contributions significantly, given the existing regulations and tax law, but it is by no means obvious that corporations **should** be major sponsors of charity. A discussion of the appropriate role of corporations and foundations in philanthropy must therefore accompany an assessment of the outlook for voluntarism.

While individuals provide over 80 percent of private support to non-profit organizations, increasing attention is being given to the role of foundations and corporations. Pressure is mounting for them to expand their charitable activities. This raises two questions: To what extent **can** foundations and corporations provide more support to charity, given the present tax law and regulations? And what **should** their role be?

The corporate world does seem to be coming under strong pressure, however, to increase donations. There have always been those who see corporations as a convenient source of money to finance any number of causes, without regard to the function of corporations or the economic consequences of such a strategy. These people are now arguing that an increase in corporate philanthropy is the price that business is obligated to pay for its tax relief.

Even if corporations responded to pressure and greatly expanded their giving, they could not cover the reduction in federal support without severe cuts in their investment programs. Corporations account for only 5 percent of charitable contributions. If the Administration continues to jawbone corporations, and to tell the public that business will come to the rescue, it will achieve little more than providing its own critics with a very effective stick.

But is it correct to suppose that corporations **should** try to fill the gap, even if they could? Individuals give money to charity for various personal reasons, and they allocate their funds accordingly. Corporations, on the other hand, can hardly be said to have charitable instincts, in any meaningful sense. They are operated by managers of other people's money, and the proper goal of the managers is to achieve the best return for the shareholders. In so doing, they also efficiently provide services and goods to the public. When corporations in a free society engage in charitable activities, the motivation is and should be a function of normal business goals.

Within this framework, charitable activities can have very tangible economic returns in certain circumstances, and donations should be seen strictly in that way. Support to colleges and training programs or for research, can be a sensible way for a corporation to develop new techniques and a skilled workforce. Similarly, there are often good reasons of mutual self-

interest behind corporate support for local community development groups. A stable, improving urban environment benefits the businesses as well as the residents of the city. But the argument that business should blindly support charity out of some notion of corporate "conscience" is irrational.

At worse, an increase in contributions would be little more than a begrudged and wasteful payoff to avoid harassment, and at best it would be inefficient, since the allocation decisions would be devoid of any element of individual obligation or charitable instinct. Moreover, the corporations would be simply controlling charitable dollars that should be allocated by shareholders. Surely it is better to have a situation in which the distribution of funds to charity reflects the cumulative decisions of individuals rather than the boards of corporate America.

The best way that a corporation can "contribute" is through its owners, the shareholders who are the corporation. The duty of corporate managers is to provide revenue to the shareholders. It is the duty of shareholders to give to charity.

This is not to say that corporations cannot play an important role in providing services to the public, but rather that this should be done in the context of normal business activities. Many private firms deliver services under contract, and they are often much more efficient than either government or non-profit organizations. The for-profit hospitals, for example, have an excellent record of providing value for money. Similarly, subsidized job-training programs in the private sector have a far better track record than the wasteful CETA public jobs program cut by the Administration. It would be more sensible to view corporations as a partner in the provision of necessary public services than to see them as a convenient source of "guilt" money.

This entrepreneurial feature will be vital in the new era of voluntarism. The infusion of organizational skills, combined with modest amounts of seed money, is likely to induce far more activity than simply providing large amounts of cash. Voluntary organizations are seeking ways of delivering new services and stabilizing their financial base. Foundations can aid that process and make it more efficient. But they must be allowed to do so.

CONCLUSION

The budget cuts and tax reductions set in motion by the Reagan Administration constitute a long-overdue attempt to shift both power and responsibility back to the people. The voluntary sector will play a central role in this process, and the Administration must enable and encourage the sector to meet the challenge.

In view of the restrictions imposed on the voluntary sector during the last twenty years, it is perhaps not surprising that many of its representatives are pessimistic. But the evidence indicates that the task is much less daunting than is generally supposed, and that Americans will respond to the obligations placed on them.

The government must help the voluntary sector make the transition. Unnecessary obstacles to voluntarism must be identified and removed, and every individual should be given encouragement to increase their giving. Corporations should not be pressured into fulfilling a function which is inappropriate to their role in society.

Foundations are in dire straits thanks to perverse tax incentives and regulations, and their revival should be a priority — the entrepreneurial skills of foundations will be desperately needed as non-profit organizations adjust to the new era. Above all, the vast potential offered by the countless voluntary associations engaged in unorthodox solutions to the problems of providing public services must be given full rein.



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